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SUBJECT: UNGA: FIFTH COMMITTEE DISCUSSES SCALES OF
ASSESSMENTS, ARREARS

¶1. On October 6 and 7, the Fifth Committee held formal discussions on agenda item 122: "Scale of Assessments for the Apportionment of the Expenses of the United Nations." Member States considered the annual Report of the Committee on Contributions (A/63/11), which reflects the Committee's broad discussion of all of the elements of the scale methodology. Notably, the Committee on Contributions report recommends granting temporary exemptions from loss-of-vote under Article 19 of the UN Charter to the seven Member States who could not pay their assessments due to "reasons beyond their control." The Fifth Committee also considered the Secretary-General's Report on Multi-Year Payment Plans for the seven countries in arrears (A/63/68), which details the voluntary payment plans and schedules of Liberia, Sao Tome and Principe, and Tajikistan, each with significant arrears.

¶2. During formal discussions, developing countries called for continued adherence to the "capacity to pay" principle and an end to the 22 percent ceiling on assessments, citing the ceiling as a distorting factor of the "capacity-to-pay" concept. After formal introductions, Member States moved into informal discussions where the Committee approved a draft resolution to grant the Article 19 exemption and preserve voting rights for seven countries.

¶3. In the debate on methodology, nearly every Member State advocated preserving the status quo. Antigua and Barbuda, speaking on behalf of the G-77 and China, reaffirmed "capacity to pay" as a "fundamental principle" that "should not be altered in any way." Angola, on behalf of the African Group, cited the current oil, food and financial crises in support of the G-77 position. Russia jumped on the bandwagon, denying any need for major methodological changes. Mexico stated the methodology may only need some "fine-tuning."

¶4. As expected, Antigua and Barbuda, speaking on behalf of the G-77 and China, also criticized the existing 22 percent ceiling as a "unilateral move by one Member State" that distorts other Member States, assessments. Iran also called for abandonment of the ceiling, claiming that it was a "political compromise" that is "detrimental to other Member States." Venezuela condemned the ceiling as "unilaterally" imposed by the country that pays the least in real terms, which is being subsidized by all the other Member States.

¶5. Positive interventions came from France, on behalf of the European Union, and Japan. France advocated timely payments for those able, and multi-year payment plans for those in difficulty. Japan vaunted its payment record despite financial difficulties, and called for a better methodology.

¶6. Article 19: With no contention, the Fifth Committee approved a draft resolution in informal discussions extending voting rights to the following seven Member States who could not make required payments due to "reasons beyond the control" of the Member: Central African Republic, Comoros, Guinea-Bissau, Liberia, Sao Tome and Principe, Somalia and

Tajikistan. However, France did express that it will pursue a more reserved policy when granting future exemptions from Article 19, which stipulates loss-of-vote due to deadbeats. UNGA subsequently passed this resolution by consensus.

17. Multi-year payment plans: Member States commended Liberia, Sao Tome and Principe, and Tajikistan for continuing to implement their respective a multi-year payment strategies to alleviate arrearages. There were no new requests for payment plans over the last year. These requests are made on a voluntary basis.
Khalilzad